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Automotive News

October 11, 1982

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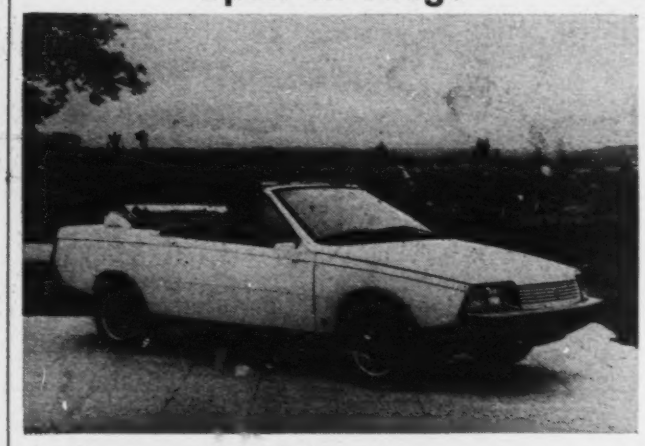
Open-air Fuego



Heuliez takes top off Renault

French coachbuilder Heuliez turned this American version of the Renault Fuego into a convertible for the Paris Auto Show. The conversion was done independently, and Renault says it has no plans for a Fuego convertible.

New 'just-in-time' systems called boon for Midwest

By Roger Rowand
Engineering Editor

Sweeping changes just starting to develop in auto production methods are going to have an unexpected side effect. Because of the changes, it appears likely the U. S. auto industry again will be concentrated in the Midwest.

That is what comes into focus in an AUTOMOTIVE NEWS look at how Detroit and its far-flung suppliers go about the complex, fast-moving business of putting together the 14,000 or so pieces that make up a car today.

A reversal is coming in a 20-year trend that has seen car factories spread from coast to coast and border to border. The reversal will come from changes in how inventories are managed.

Inventories. A dull subject? Not by a long shot in the rough international automotive environment of the 1980s.

The newest developments can be traced directly to Japan — as has been true a lot lately in Detroit.

Car makers say one of the most attractive aspects of Japanese methods is the way they handle in-process inventory — parts going into major component factories and final assembly plants.

Parts aren't stockpiled massively in Japan as they historically have been in this country. They are brought in as they are needed, thus the name just-in-time inventory.

Benefits are immediate from such a system. They come in the form of reduced demands on working capital and in improved quality as defective components are spotted quickly, car makers say.

There are varieties of the just-in-time technique — kanban is one well-known one — but tight inventories are characteristics of all of them.

"Our former tendency to provide for large banks of material between operations must go. We can no longer afford the space such material demands, nor its costs. And, more importantly, poor quality often goes undiscovered if material is allowed to accumulate between operations,"

Continued on Page 8, Col. 3

Chrysler workers torpedoing pact; money is chief gripe; strike looms

By Marjorie Sorge
Labor Editor

The new Chrysler Corp.-UAW contract is all but dead.

Word from the rank-and-file who began voting on the agreement last week is that the contract doesn't give them enough money. They want an agreement which gets them closer to parity with their counterparts at General Motors and Ford. The difference in the hourly rates is $2.50.

At presstime, six major Chrysler locals had rejected the pact. There are 54 locals.

Many UAW officials view this as a trend and are readying themselves for the pact's defeat. The current vote is 65 percent against and 35 percent for, the UAW said.

Thomas W. Miner, Chrysler industrial relations vice president, said he is not optimistic the contract will be ratified.

But, he said, there is no more money to give and the company currently has no ideas on how the contract could be changed.

If the contract is defeated, a strike is possible. UAW and Chrysler officials might be able to negotiate an alternate agreement without a strike, but that is not likely, given the attitude of the workers, observers said.

According to David Eisenberg, auto analyst for Sanford C. Bernstein & Co., a one-week strike would cost Chrysler about $60 million in profit before taxes. In the first half of 1982, Chrysler made a profit of $256.8 million before taxes.

That profit has fueled the workers' resistance. They say they are entitled to a bigger share of that money. Chrysler officials say most of that profit didn't come from the car-and-truck business, but from the sale of the defense operation and other cutbacks.

In a recent AUTOMOTIVE NEWS interview, Gerald Greenwald, Chrysler vice chairman, said that while the company made $107 million in the second quarter, the car and truck business lost money.

UAW officials have also blamed Chrysler Chairman Lee Iacocca for some of the contract's problems. Iacocca has been publicizing the company's $1 billion cash reserve, which the union says has hurt the ratification process. Analysts say Iacocca was trying to boost confidence in the company.

But the $1 billion represents more than confidence to Chrysler. According to Greenwald, it is the equivalent of a line of credit from other companies. He said Chrysler has not had a credit line for two years and needs that money to compensate.

Miner said $1 billion doesn't go very far when vendor payments average about $15 million a week. He said none of the $1 billion reserve came from the auto business.

Even restoring COLA payments is expensive. A 16-cent

Continued on Page 50, Col. 3

Bargain-priced Yugo

Yugoslavian model makes Western debut

Chardonnet, the French auto importer, displayed the new hatchback Yugo 45 at the Paris Auto Show, marking the Yugoslavian car's first Western appearance. Fitted with a 45-HP Autobianchi engine, it retails in France for $3,800. Show story and other photos on Page 3.

Mid-engined power

Alfa Romeo Sprint unveiled

Alfa Romeo's competition unit unveiled the Sprint at the Paris Auto Show. Based on the Alfasud coupe, the Sprint's 2.5-liter V-6 is mounted amidship, produces at least 160 HP and drives the rear wheels. Two hundred are to be built.

breaking news

Domestic new-car inventory dips to 69 days

DETROIT. — The domestic new-car inventory dropped during September to a 69-day supply on Oct. 1, compared with an 88-day stockpile on Sept. 1. The domestic industry had 1,350,366 new cars in stock Oct. 1, down from 1,379,434 a month earlier. The greater part of the decrease in days supply was because of a higher daily selling rate in September.

Harvester admits chance of bankruptcy

CHICAGO. — International Harvester Co. last week alerted its shareholders, via a special-meeting proxy statement, that the firm's future "is in reasonable doubt." It was the first time the company has admitted the possibility of bankruptcy.

Avanti Motor Corp. sold to Blake

SOUTH BEND.—Stephen H. Blake, a Washington businessman, has acquired Avanti Motor Corp. for $5 million. The purchase agreement included a $2.5 million capital loan and a line of credit from a local bank plus a package of state and local government inducements. Blake said existing man-

SEE BREAKING NEWS, Page 8, Col. 1

NEWSPAPER

More from Paris

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Three sales incentives launched by Chrysler; Nissan cuts loan rate

By Joseph Bohn
Marketing Editor

Chrysler Corp. has launched a new fourth-quarter program, designed to drum up dealer wholesale orders and push retail sales through rebates.

There are actually three programs — one for dealers, one for sales managers and a third for salespeople.

Separately, Nissan has begun a new 9.9 percent retail finance program, backed with dealer cash, on its pickup trucks.

Chrysler's dealer program is called "Kickoff for Kash." It runs from Oct. 1 to Dec. 31 and has a "one-for-one" replacement feature.

Dealers agree to purchase up front one eligible '83 factory unit for each eligible unit they retail.

By placing '83 orders in specified amounts, dealers receive value coupons, or rebates, assignable to retail purchasers of '82 vehicles in the following amounts:

$600 on Omni-Horizon, TC3/024, Turismo/Charger and Dodge 400.

$500 on Reliant/Aries, LeBaron and Rampage.

$300 on Cordoba/Mirada, Gran Fury, Diplomat, Imperial, New Yorker, domestic trucks (excluding Rampage and Ramcharger) and import cars.

A customer may elect to sign his coupon (or rebate) over to the dealer or receive a check directly from the company.

• Dealers must submit up-front orders, determined by Chrysler, by certain dates.

October allocation orders are due by Oct. 15; November order requirements (equal to October sales) are due by Nov. 15 and December orders (equal to November sales) are due by Dec. 6.

Any remaining orders due Chrysler must be placed by Jan. 6.

At the conclusion of the program, if dealers ordered more vehicles than they sold, they receive an additional $100 in dealer cash for each leftover unit.

There are also a couple of bonuses.

If dealers agree to order 50 percent more than the one-for-one October requirement, they receive $200 extra on all '83 retail deliveries (excluding import trucks).

If they order 75 percent more than the October requirement, they receive $400 per '83 delivery. Orders must be placed by Oct. 15.

Separately, there is a "Touchdown Team" program (Chrysler-Plymouth) and a "Touchdown '83" (Dodge) program for sales managers.

It also runs from Oct. 1 to Dec. 31.

The program covers all '82 and '83 vehicles, domestic and import.

Each dealership is assigned a total program objective for retail sales and a two-month E-body car objective.

Depending on size, dealerships are grouped into Flight 1, 2 or 3.

If a manager achieves a fast-start of 40 percent of the dealership objective by Oct. 31 and 100 percent by the program's end, he receives $1,500 (Flight 1, $1,000 (Flight 2) or $500 (Flight 3). If he hits the E-body objective by Nov. 30 and total objective at the end, he receives an extra $1,500 (Flight 1), $1,000 (Flight 2) or $500 (Flight 3).

Managers also receive double credits toward their overall program objectives for sales of 1982 models and '83 E-bodies.

There are also trip contests for managers.

Sales managers are grouped into one of 300 groups per division.

Within each group, the manager with the highest-over-objective retail sales will win a trip. The top 75 winners per division receive three-day trips for two to the Super Bowl, if there is one, or some alternate destination, if not.

The remaining 225 winners per division each win a trip for one to Las Vegas on Super Bowl weekend.

There are cash bonus awards, available only to those who win trips. The criteria are rather involved, with payments depending on the manager's flight, national ranking in the division, etc. Essentially, 36 awards from $10,000 to $5,000 to $2,500 to $1,250 and $625 will be given.

Finally, a salespersons' contest, also running from Oct. 1 to Dec. 31, provides $50 payments for retail sales of all '82 and '83 L-body models (excluding the derivative Scamp and Rampage pickups).

Separately, Chrysler extended

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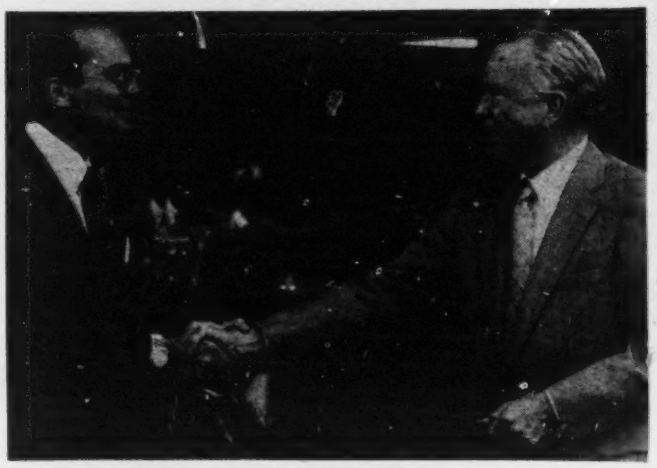

Good timing for new dealership

General Motors Chairman Roger B. Smith, right, congratulates John Bergstrom at the opening of his new Bergstrom Chevrolet-Cadillac-Buick dealership in Neenah, Wis. Smith spoke at the dedication ceremonies and said the dealer's timing "couldn't be any better" in the face of signs of an upturn in the economy.

Both U. S. and domestic cars slip for model year

Domestic sales dip 5 pct. for month

By Jenny L. King
Staff Writer

After a brief mid-month flirtation with increased sales, the domestic auto makers lapsed into their former bad habit of declines, finishing September with a 5.80-percent sales drop. Imports reported a second consecutive month of improved sales but missed record penetration by less than a percentage point.

September also marked the close of the 1982 model year, which ended on a depressed note for the U. S. auto makers—down 15.89 percent from '81—and a low note for the imports as well—down 9.33 percent.

Domestic model-year sales totaled 5,543,006 for 1982 compared with 6,590,451 for 1981. Import 1982 model-year sales were 2,157,693, down from 2,379,714. The combined model-year total was 7,700,699 down 14.15 percent from 8,970,165.

The five major U. S. auto makers reported sales of 488,452 units in September, down 5.80 percent from 518,522 in 1981. Mid-September sales had been up 14.88 percent, but they were sandwiched between an early-month decline of 28.99 percent and a final-period drop of 3.27 percent.

Import sales in September numbered 182,599, up 8.81 percent from 167,819 a year earlier. Combined sales of 671,051 were down 2.24 percent from 686,413. Imports earned 27.21 percent of the market, up from 24.46 percent in 1981 but missing the record 27.60 percent set in 1980.

Domestic sales for the first nine months totaled 4,262,595, down 13.47 percent from 4,925,889 last year. Import sales through September were 1,682,441, down 9.05 percent from 1,849,755. Industry total for the nine months was down 12.26 percent, to 5,945,036 from 6,775,644.

Third-quarter domestic sales were down 17.91 percent compared with 1981, to 1,327,771 from 1,617,414. Import sales during the July-August-September quarter totaled 581,304, up 0.95 percent from 575,851.

In September, Chrysler and

Continued on Page 6, Col. 1

Where Auto Market was in September

	Total Sales	Pct. of Total
SUBCOMPACT	128,198	19.10
COMPACT	103,473	15.42
INTERMEDIATE	145,054	21.62
STANDARD	72,782	10.85
LUXURY	38,945	5.80
IMPORT	182,599	27.21
TOTAL	671,051	100.00

Survey shows interest rates have little to do with depressed sales

Why aren't new cars selling? In a word, pricesaretoohigh!

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES. — Consumers in all income brackets have listed high car prices as the greatest single deterrent to buying a new vehicle, with high interest rates running a distant fourth, according to a recent study conducted by J. D. Power & Associates.

The study was commissioned by Knapp Communications, which publishes Architectural Digest, Bon Appetit, GEO and Home magazines, in an effort to chart attitudes and buying practices between consumers earning more than $50,000 per year and those who make less.

A third of the consumers in both brackets said current vehicle prices were the greatest deterrent to buying a new car.

About 18 percent in the under-$50,000 bracket cited personal/family financial conditions and 15 percent said strains on the personal/family budget were the greatest obstacle. Only 13.2 percent in the under $50,000 category said financing costs were the greatest deterrent.

In the over-$50,000 range, 14 percent cited personal/family financial conditions, 12.7 percent mentioned strains on the budget and only 10 percent said interest rates were the chief deterrent.

• Despite the unanimity in identifying the leading culprit for sluggish new-car sales, there are marked differences in the attitudes and buying patterns between the two income groups.

Nearly 78 percent of those in the $50,000-plus category plan to buy a new car in the next year, nearly twice the number of those planning to make a car purchase in the less-than-$50,000 group.

The more-affluent consumers keep their cars an average of one year less than the under-$50,000 group, which has an average car ownership of 4.2 years.

The more rapid turnover and higher price intention rate of the upper income consumers has led Knapp to conclude that consumers earning over $50,000 per year will become an important force in the U. S. car market.

According to the study's figures, the number of persons in that bracket has doubled since 1978 and is now more than 11 million persons, or about 5 percent of the population.

"While national sales of new cars continue to drop, the 5 percent segment of the population that represents household incomes of $50,000 or more will account for 18 percent of all new-car purchases this year—three times its proportionate share of four years ago," the company reported.

There are a number of findings in the study that are fairly obvious:

1. The more-affluent expect to pay on average nearly twice the amount for a new car ($9,550 vs. $5,570).

2. The higher bracket drives twice as many sports cars, while the lower bracket drives twice as many pickups (standard and mini), vans and buses.

3. Leasing is more than four times more popular with the over-$50,000 set.

4. The more-affluent look for dependability, styling / appearance and comfort, while the less-affluent rank low purchase price, fuel economy and dependability as important vehicle attributes.

5. Diesels are five times more prevalent among affluent car owners.

At the same time, there were a number of surprises. Although consumers in the over-$50,000 bracket own more import models (23.8 percent vs. 18.1 percent), only 16 percent are planning to buy a new import during the next year.

On the other side, import ownership in the less-affluent group is only 18 percent, yet 19 percent of the total in this bracket are planning to buy an import in the next year.

• On the domestic front, 60 percent of the $50,000-plus category plan to buy a U. S. car, while only 54 percent of the under-$50,000 consumers plan to do so. Domestic ownership in the two brackets is 76 and 81 percent, respectively.

Twenty-two percent of the more-affluent and 26 percent of the lower bracket are undecided on their next purchase.

According to Knapp, "These facts seem to suggest that a major opportunity exists with the uncommited buyer. Further, there is some indication that the affluent segment is giving domestic cars higher consideration for purchase than the under-$50,000 segment."

This conclusion has more ominous tones when taken in context of the average price each of the two brackets expects to pay for a new car.

It was previously thought that imports appealed to more-upscale buyers and, consequently, Detroit aimed for that segment of the market in its latest product offerings.

It may be doing so at the expense of a great number of less-affluent buyers — buyers that have traditionally purchased domestic automobiles. Low-priced imports may be attracting some of these buyers for the first time, and even greater erosion of domestic-car sales is possible.

• Further complicating matters is consumer awareness of various models and who makes them. More than two-thirds of the consumers in both brackets admitted having only fair to poor knowledge regarding the variety of domestic models on the market today.

Only 26 percent of the under-$50,000 group and 30 percent in the $50,000-plus category rated their product knowledge as good to excellent.

According to the study, only

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Four makers show vital new models

Products make news in Paris

By Richard Feast
European Editor

PARIS.—Questions, questions, so many questions!

The Paris Auto Show was the setting for a glittering Who's Who of the industry. It was also a gathering of gossips, who posed more questions than they received answers for.

Just how significant are the senior management changes within the Peugeot group?

What would be the result of the court case in Luxembourg between Ford and the European Commission over export sales destined for the UK?

Was the president of Volkswagen of America showed the door, or did he really open it himself?

What will happen in Spain now that VW has finally signed that production deal with Seat?

Can British trade unions really stop Vauxhall from importing General Motors' S-car from Spain?

And which of the crop of new cars will win the important European Car of the Year Award?

In short, it was an exhilarating, tiring show — and frustrating because so many of the questions remained unanswered.

It was a show which saw the public debut of four vital new models which could change buying habits in Europe. The quartet tended to overshadow the important but smaller product changes by other manufacturers.

It also marked the unveiling of the futuristic, energy-saving vehicles developed by the Renault and Peugeot groups with the aid of government finance.

Of the four newcomers, only two will qualify for Europe's Car of the Year award.

Under the rules, the Citroen BX and Opel Corsa will not be on sale in enough European countries (five) by the end of the year. Neither, of course, will the small Mercedes-Benz (debut later this year), BMW 3-series and Fiat Type One (next year).

Which means it looks like a straight fight between the Ford Sierra and Audi 100. Whatever the reaction in the U. S., the Volvo 760 announced earlier this year received only a lukewarm reception in Europe.

(In theory, Japanese and North American cars qualify. In reality they don't.)

These, then, were the cars which the public flocked to see. There is still a great deal of buoyancy in the French market, with year-end sales expected to rise well above 1.9 million.

• Unfortunately for the French industry, demand for foreign vehicles is running at unprecedented levels—29 percent in the first half of this year.

A combination of factors, including strikes and inflation induced price disadvantages, influenced this. The government's economic measures, which included a price freeze until November, may help reduce inflation over the long term. But at present, imports seem destined to edge further upward.

Renault, however, retains a solid 40 percent of the domestic market. It had no really new products to talk about — a hatchback adaptation of the R9 (Alliance) is expected next year—and instead concentrated on reviewing its recent past and previewing its future.

Bernard Hanon, group president, turned in a confident, relaxed performance before a horde of newsmen. He had, one observer thought, the Kennedy touch.

He did not look like a man facing another year of financial losses (1981, some $100 million) but spoke of increasing investments ($1.2 billion this year).

Renault's five-year plan will involve a new model each year, greater automation in the factories and creation of new markets. This year the group's annual production will exceed 2 million units for the second time in its history.

• Jean Boillot, president of Automobiles Peugeot, had a more difficult time in what is believed to be his first general news conference. He stressed the hard work done by the company in the integration of the Peugeot and Talbot networks and the introduction of new models.

This, he said, had taken place against a background of economic recession.

But he had a difficult time fielding questions about the future of the company's Spanish and UK plants.

The UK Talbot facilities are totally dependent on a contract to supply kits of Hillman Hunter (Peykan) models to Iran—a volatile part of the world since the revolution.

In Spain, where the domestic competition is heating up with the arrival of General Motors, the Peugeot group has a small and fragmented presence. It inherited the Chrysler (Talbot) business as well as the Citroen factory, which by an historical quirk also assembles Peugeots.

What this amounts to is too much capacity and too many employes. The company has begun negotiations with unions and local authorities on rationalization, having been nodded through by the government.

• The conference was complicated by the fact that on the eve of the show, the Peugeot group (PSA) announced a management restructuring. It will, Boillot said in attempting an explanation, create a more streamlined management structure between the ruling PSA and its two subsidiaries, Auto-

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UAW demands parity at Chrysler Canada

By Marjorie Sorge
Labor Editor

The UAW has set 10:00 a.m. Nov. 5 as the strike deadline for reaching a new contract with Chrysler Canada and is demanding parity with Ford and General Motors.

Currently, Chrysler workers lag behind those at the Big Two by about three dollars an hour. Their base wage is $9.07 (Canadian) an hour.

In order to accomplish parity, the UAW wants up-front money for workers, quarterly increases in cost-of-living adjustments (COLA) and will not accept wage increases tied to profits, as have been negotiated in the U. S.

Workers in Canada have indicated they will not accept an agreement similar to the U. S. Chrysler pact. That contract resumes lump-sum COLA payments and cracks down on chronic absenteeism.

In the U. S., UAW members have voiced strong opinions against wage increases tied to profitability and the more stringent absenteeism system. Ratification of the new U. S. contract is in doubt.

This doubt, is one reason the Canadian UAW has set a Nov. 5 deadline. According to Robert White, UAW vice president and director of the Canadian Region, the Canadians want to know where the Chrysler U. S. settlement is going before they complete their negotiations.

Getting a settlement at Chrysler Canada will not be easy, and White said he is less optimistic that an agreement can be reached without a strike than he was when negotiating at GM and Ford.

In the U. S., Chrysler officials have said the agreement it negotiated with the UAW is the best possible under Chrysler's current economic situation. But union officials in Canada feel Chrysler can afford to meet their demands.

• "They can meet the economic package we are talking about and remain viable," White said. "You can't put money into new plants and technology and not give any to the workers."

Chrysler is in the midst of a major remodeling of its two Windsor plants for production of front-drive cars and a garageable van.

Meanwhile in Canada, a new two-year agreement between the UAW and Ford Motor Co. of Canada has been ratified by 90 percent of the production workers and 73 percent of the skilled trades workers.

The agreement is similar to the GM of Canada pact negotiated in mid-September. The contract provides wage increases and COLA payments but eliminates paid personal holidays (PPHs).

The COLA formula remains the same as in the last contract for the first 18 months of the agreement. That formula gives workers a one-cent increase for every 0.26 percent rise in the combined Canadian-U. S. Consumer Price Index. During the last six months of the pact, the

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58th year — No. 4936

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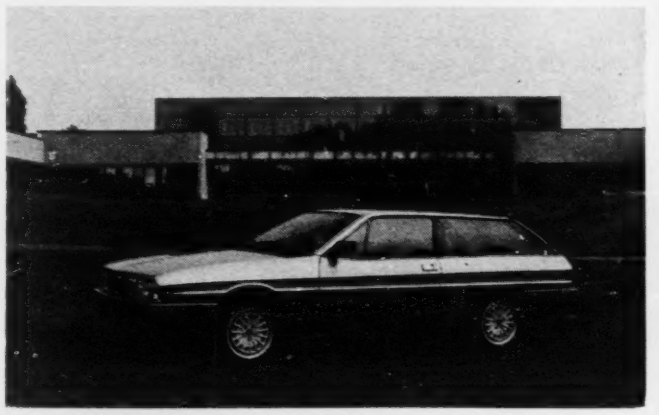
New at Paris

Beefed-up Samba

Peugeot introduced a higher-power engine option for top versions of the Talbot Samba. The Rallye version, new for Europe, is offered with an 80-HP engine.



One-of-a-kind Lancia

Pininfarina showed its one-off Olgiata at the Paris Auto Show. The elegant, wagon-like car is built from the Lancia Gamma.

VW's new Polo coupe

Smaller than the Golf/Rabbit, the new coupe (hatchback) version of Volkswagen's Polo was unveiled at Paris. It is offered with 50- and 60-HP engines as well as in GT version, with a 75-HP engine that propels the car to 104 MPH.

Opel styling study

Opel showed Paris a version of its Monza coupe with a smoother front end. The car is a design study.

Both U. S. and domestic cars slip for model year

Domestic sales dip 5 pct. for month

Continued from Page 2

American Motors were the only domestic auto makers to post sales gains. Chrysler was up 14.16 percent, to 55,237 from 48,384 last year, while AMC blipped a plus 0.38 percent, to 12,343 from 12,296.

General Motors was down 7.48 percent, to 301,692 from 326,089; Ford Motor Co. was down 6.14 percent, to 110,166 from 117,372, and Volkswagen of America was down 37.32 percent, to 9,014 from 14,381.

GM's share of the domestic market in September slipped to 61.76 percent from 62.89 percent in 1981. Ford cornered 22.55 percent, down from 22.64 percent. Chrysler leaped to 11.31 percent from 9.33 percent; AMC edged ahead to 2.53 percent from 2.37 percent, and VWoA dropped to 1.85 percent from 2.77 percent.

For the 1982 model year, GM was down 16.00 percent, to 3,387,607 from 4,032,727 in '81. Ford was down 13.31 percent, to 1,289,983 from 1,487,961. Chrysler dropped 13.84 percent, to 658,720 from 764,535. VWoA sales of 107,396 were down 32.89 percent from 160,022, and AMC sales of 99,300 were down 31.61 percent from 145,206.

GM earned 61.12 percent of the domestic market for the 1982 model year compared with 61.19 percent in 1981. Ford had 23.27 percent, up from 22.58 percent. Chrysler climbed to 11.88 percent from 11.60 percent; VWoA dropped to 1.94 percent from 2.43 percent, and AMC was down to 1.79 percent from 2.20 percent.

In September Chrysler, Lincoln, Buick and Cadillac posted sales gains compared with year-ago levels. Chrysler more than tripled its numbers, Lincoln was up 79.03 percent, Buick was up 6.76 percent and Cadillac was up 7.57 percent.

• Among the imports, Datsun set a record for the month with sales of 41,090 new passenger cars; Jaguar sales doubled; BMW was up 27.52 percent from last year; Audi was up 11.47 percent; Mazda was up 14.98 percent; Mercedes-Benz was up 44.85 percent; Saab was up 21.14 percent; Toyota was up 16.36 percent, and Volvo was up 22.32 percent. Combined Mitsubishi sales by Chrysler were up 47.30 percent on a September-to-September basis.

Of the total September market, imports accounted for 27.21 percent, intermediates had 21.62 percent, subcompacts had 19.10 percent, compacts had 15.42 percent, standards had 10.85 percent and luxury models had 5.80 percent.

The domestics-only market class spectrum was as follows: Intermediates at 29.70 percent, subcompacts at 26.25 percent, compacts at 21.18 percent, standards at 14.90 percent and luxury models at 7.97 percent.

Domestic new-car sales during the final 10 days of the month were down 3.27 percent, to 221,369 from 228,850 last year.

Chrysler was up 39.53 percent, GM was down 7.62 percent, Ford was down 1,47 percent, AMC was down an estimated 12.50 percent and VWoA plunged 33.46 percent.

With 25 selling days in September both this year and last, the daily selling rate for domestic cars slipped 5.80 percent, to 19,538 from 20,741. The third-period rate of 24,597 was down 3.27 percent from 25,428 in 1981; there were nine days both years. Based on third-period sales, annualized domestic new-car sales for 1982 were running at a rate of 5,789,000 units.

IMPORTED CAR SALES

	September, 1982	September, 1981	9 Mos., 1982	9 Mos., 1981
Alfa Romeo	218	193	1,561	1,651
Audi	4,433	3,977	34,651	38,644
BMW	4,606	3,612	38,032	32,495
Challenger	1,262	966	11,645	9,995
Champ	5,290	3,333	31,176	32,873
Colt	4,880	3,522	32,144	33,363
Datsun	41,090	38,274	355,351	368,110
DeLorean	271	200	2,465	729
Fiat	649	2,466	12,566	27,687
Fiesta	.....	.....	.....	32,856
Honda	29,105	30,460	279,511	298,379
Isuzu	1,599	1,664	10,774	13,411
Jaguar	797	353	6,880	3,279
Lancia	101	91	761	898
Mazda	14,232	12,378	121,480	131,057
Mercedes-Benz	5,277	3,643	47,579	46,583
MG	.....	186	.....	3,455
Peugeot	1,110	1,121	10,850	12,861
Porsche	784	670	9,739	8,254
Renault	2,689	2,475	28,996	23,329
Rover	.....	43	.....	599
Saab	1,358	1,121	13,692	10,700
Sapporo	1,644	1,056	10,040	10,759
Subaru	13,393	12,845	111,459	118,619
Toyota	37,718	32,416	400,775	459,787
Triumph	.....	519	.....	9,063
Volkswagen	6,043	6,924	50,342	67,369
Volvo	4,050	3,311	59,972	52,950
TOTAL	182,599	167,819	1,682,441	1,849,755

U. S. CAR SALES BY MARKETING UNITS

	Sept., 1982	Sept., 1981	9 Mos., 1982	9 Mos., 1981
Chevrolet	105,712	118,945	951,663	1,158,956
Ford	74,450	82,432	693,502	814,945
Oldsmobile	66,225	71,429	584,379	674,118
Buick	69,967	65,539	532,387	560,262
Toyota	37,718	32,416	400,775	459,787
Pontiac	37,959	49,883	360,993	451,542
Datsun	41,090	38,274	355,351	368,110
Plymouth	25,981	26,799	232,089	304,210
Honda	29,105	30,460	279,511	298,379
Dodge	25,621	26,186	232,380	287,314
Mercury	26,276	29,661	298,608	268,461
VW of America	20,274	25,952	166,355	240,931
Cadillac	21,829	20,293	173,844	167,477
AMC-Renault	15,032	14,771	101,489	138,523
Mazda	14,232	12,378	121,480	131,057
Subaru	13,393	12,845	111,459	118,619
Chrysler/Imperial	16,711	4,276	129,208	75,291
Volvo	4,050	3,311	59,972	52,950
Lincoln	9,440	5,273	64,431	46,608
Mercedes-Benz	5,277	3,643	47,579	46,583
BMW	4,606	3,612	38,032	32,495
Fiat	750	2,557	13,327	28,585
Jaguar-Rover-Triumph	797	1,101	6,880	16,396
Isuzu	1,599	1,664	10,774	13,411
Peugeot	1,110	1,121	10,850	12,861
Saab	1,358	1,121	13,692	10,700
DeLorean	271	200	2,465	729
Alfa Romeo	218	193	1,561	1,651
TOTAL	671,051	686,413	5,945,036	6,775,644

Ford sales include Fiesta; VWoA includes VW and Porsche-Audi; Plymouth includes Champ and Sapporo; Dodge includes Colt and Challenger; Fiat includes Lancia. Jaguar-Rover-Triumph includes MG.

Chrysler, Nissan offer variety of incentives

Continued from Page 2

its rebates on '81 and '82 D-50 imported pickups. The two-wheel-drive versions get $300 rebates, the four-wheel-drive versions, $400 rebates, from Oct. 1 to Dec. 31.

Dealers do not have to participate in Chrysler's other "one-for-one" wholesale / retail program to qualify for the import-truck rebates.

A Ramcharger program pays $1,000 customer rebates until Dec. 31, plus up to 50 African trips. There are also payments of up to $500 in dealer cash, up to $100 in sales manager cash and up to $50 in salesperson cash per sale. Dealers must buy one demo to enter the program.

• The latest Nissan program offers 9.9 percent consumer retail financing, along with dealer incentives up to $675 on '82 and '83 pickup trucks.

Essentially, dealers are free to enroll their own credit sources.

On 1-12-month contracts, Datsun pays banks 95 percent of the difference between 9.9 percent and their prevailing rate.

On 13-24-month contracts, Datsun pays 90 percent of the difference, on 25-36 month contracts, Datsun pays 85 percent of the difference. And on 37-to-48-month contracts, Datsun pays 80 percent of the difference.

C. P. King, senior vice president of sales for Nissan, estimated customers would be able to save $1,100 to $1,800 on financing charges on a 48-month contract.

For the past two months, Nissan has been offering 12.7 percent truck financing in California only through Security National Pacific Bank, and its success with that venture prompted the new national finance program, King said.

Datsun is concurrently running a special incentive on pickups.

On diesel pickup trucks, it is paying dealers $500 per retail unit, plus another $125 to salespeople and an additional $50 to sales managers.

On gasoline-engine trucks, dealers receive nothing, but salespeople receive $50 and sales managers $25.

Toyota deal adds Volvo

KEENE, N. H.—Cheshire Toyota Co. has added Volvo. William J. O'Sullivan is president.

DOMESTIC CAR SALES

	Sept. 21 to Sept. 30, 1982	Same Period, 1981	September, 1982	Same Month, 1981	Jan. 1 to Sept. 30, 1982	Same Period, 1981
Alliance	.....	.....	5,837	.....	6,837	.....
Spirit	.....	.....	839	3,673	13,800	29,143
Concord	.....	.....	2,086	5,524	25,420	48,761
Pacer	.....	.....	.....	.....	.....	111
Eagle	.....	.....	2,581	3,099	26,436	31,860
AMERICAN MOTORS	3,500	4,000	12,343	12,296	72,493	109,875
Horizon	1,623	1,875	3,315	5,969	35,898	63,230
Turismo/TC3	1,620	1,382	3,316	3,200	30,043	43,082
Reliant/Volare	5,694	5,797	11,466	13,197	108,504	154,222
Plymouth	362	44	950	44	16,428	44
Total Plymouth	9,299	9,098	19,047	22,410	190,873	260,578
LeBaron	.....	476	.....	1,583	912	34,422
LeBaron K	4,126	.....	8,363	.....	68,117	.....
Cordoba	790	504	1,792	1,449	12,107	19,738
New Yorker	2,915	180	6,418	180	46,043	180
Chrysler	.....	.....	.....	862	.....	17,080
Total Chrysler	7,831	1,160	16,573	4,074	127,179	71,420
Total Imperial	66	99	138	202	2,029	3,871
Omni	1,394	1,536	2,782	4,443	29,948	45,993
Charger/024	1,647	1,726	3,458	4,007	30,962	41,158
Aries/Aspen	3,969	4,703	7,893	10,805	80,424	117,316
Dodge 400	1,301	.....	2,800	.....	20,940	.....
Diplomat	692	409	1,730	1,127	20,503	22,173
Mirada/Magnum	375	315	816	875	5,814	11,688
Dodge	.....	.....	.....	441	.....	5,628
Total Dodge	9,378	8,689	19,479	21,698	188,591	243,956
CHRYSLER CORP.	26,574	19,046	55,237	48,384	508,672	579,825
Pinto	.....	.....	.....	.....	.....	10,037
EXP	1,228	2,492	2,942	6,344	30,148	41,601
Escort	12,223	8,946	27,959	19,421	261,482	224,437
Mustang	4,884	5,984	10,365	13,658	89,337	127,518
Fairmont	6,818	8,378	10,469	18,347	98,908	152,887
Granada	2,801	4,055	6,024	9,230	83,100	78,820
Thunderbird	2,114	2,345	5,752	6,438	35,838	57,710
LTD '83	111	.....	192	.....	192	.....
Ford	5,418	4,351	10,747	8,994	94,497	89,079
Ford Division	35,597	36,551	74,450	82,432	693,502	782,089
Bobcat	.....	.....	.....	.....	.....	2,169
LN7	315	734	860	2,022	10,326	13,954
Lynx	2,799	3,339	7,375	6,518	78,008	72,765
Zephyr	2,117	2,181	4,116	4,808	32,320	42,777
Cougar/Monarch	1,279	2,377	2,703	4,425	36,517	33,829
XR-7	716	1,176	2,390	2,894	13,296	24,270
Capri	1,103	1,878	2,640	4,398	22,619	39,814
Marquis	.....	.....	.....	.....	.....	.....
Grand Marquis	3,275	1,940	6,192	4,602	55,522	38,883
Total Mercury	11,604	13,625	26,276	29,667	248,608	268,461
Cont./Versailles	1,134	.....	2,344	.....	16,728	.....
Lincoln	2,218	1,186	4,590	2,588	28,080	22,638
Mark VI	1,241	1,207	2,506	2,685	19,623	23,970
Total Lincoln	4,593	2,393	9,440	5,273	64,431	46,608
L-M Division	16,197	16,018	35,716	34,940	313,039	315,069
FORD MOTOR	51,794	52,569	110,166	117,372	1,006,541	1,097,158
Skyhawk	2,365	.....	6,764	.....	32,952	.....
Skylark	5,320	5,777	12,001	14,607	110,941	154,298
Century FD	4,080	.....	10,987	.....	68,087	.....
Regal Sedan	3,521	4,561	6,497	10,054	58,855	100,650
Regal Coupe	7,593	10,184	14,503	23,157	108,241	167,678
Le Sabre	5,236	3,831	9,803	7,967	80,187	60,705
Electra	3,065	3,380	5,942	5,607	42,114	40,965
Riviera	2,032	2,054	3,470	4,147	31,010	35,966
Buick Division	33,212	29,787	69,967	65,539	532,387	560,262
Cimarron	395	948	1,022	2,457	9,065	8,790
Seville	1,031	749	2,616	1,688	16,299	16,689
Cadillac	7,489	4,575	13,606	11,186	108,477	102,350
Eldorado	2,590	2,073	4,585	4,962	39,983	39,648
Cadillac Division	11,505	8,345	21,829	20,293	173,844	167,477
Chevette	7,429	11,101	23,441	28,008	182,137	294,586
Cavalier/Monza	4,425	5,616	13,437	14,090	89,485	56,970
Citation/Nova	4,709	8,069	12,826	19,739	144,122	234,761
Camaro	4,688	2,445	12,055	6,829	140,091	36,048
Celebrity	4,343	.....	11,063	.....	66,117	.....
Malibu	3,654	7,658	6,823	15,524	84,222	174,149
Monte Carlo	4,003	7,442	7,086	15,099	74,502	129,939
Chevrolet	10,051	9,085	17,450	17,533	153,486	158,049
Corvette	650	812	1,531	2,123	17,501	24,454
Chevrolet Division	43,952	52,228	105,712	118,945	951,663	1,158,956
Firenza/Starfire	1,214	.....	3,860	.....	19,562	.....
Omega	2,155	3,384	5,892	8,819	56,194	87,468
Cutlass Ciera	4,407	.....	11,651	.....	76,380	.....
Cutlass	.....	6,584	.....	13,836	.....	153,314
Supreme	9,835	11,745	19,637	25,258	209,441	216,890
Olds 88	6,738	5,536	14,234	12,791	135,866	125,977
Olds 98	3,796	3,559	8,414	7,394	62,225	60,471
Toronado	1,347	1,498	2,537	3,331	24,711	29,998
Oldsmobile Division	29,492	32,306	66,225	71,429	584,379	674,118
T-1000	1,634	3,110	4,901	7,319	39,788	43,098
J-2000/Sunbird	2,411	3,992	7,098	8,858	42,829	59,695
Phoenix	1,222	2,156	3,202	5,283	37,668	65,191
Firebird	2,332	1,350	5,881	3,543	78,743	47,121
6000	2,525	.....	6,261	.....	35,472	.....
Bonneville/LeMans	3,258	2,944	5,690	5,868	57,376	57,542
Grand Prix	2,673	5,663	4,926	11,700	64,941	104,356
Pontiac	.....	3,412	.....	7,312	4,176	74,539
Pontiac Division	16,055	22,627	37,959	49,883	360,993	451,542
GENERAL MOTORS	134,216	145,293	301,692	326,089	2,603,266	3,012,355
VOLKSWAGEN	5,285	7,942	9,014	14,381	71,623	126,670
DOMESTIC TOTAL	221,369	228,850	488,452	515,522	4,262,595	4,925,889
IMPORT TOTAL	.....	.....	182,599	167,891	1,682,441	1,849,755
INDUSTRY TOTAL	.....	.....	671,051	686,413	5,945,036	6,775,644

†—Estimate.
*—AMC does not have a nameplate breakout for 10-day periods.

State capitol roundup

Bumping into varied usury ceilings

By Mary E. Jones
Special Correspondent

High interest rates continue to plague new-car sales.

In most states, state usury laws limit the interest rate that can be levied on various types of loans—home mortgages, retail installment, consumer credit and motor vehicles.

State usury limits vary considerably. Arkansas has the lowest rate—10 percent—which is set in the state constitution. Two other states set their limits below 17 percent; 16 states between 17 and 18 percent; four states between 19 and 20.8 percent; 10 states and the District of Columbia between 21 and 21.5 percent, and four states between 24 and 25 percent.

Thirteen states permit more than 25 percent. State usury limits are maximum rates that can be charged; actual interest rates can be lower. A list of state usury limits accompanies this article.

Two states approved legislation in 1982 concerning interest rates that can be levied for new-car loans. South Dakota approved a law which repeals its old interest ceiling of 20 percent. The new law sets no ceiling.

Pennsylvania also approved a new law which increased the maximum legal rate of interest on new-vehicle loans to 18 percent.

According to figures compiled by the MVMA, the average cost for a new car in 1981 was $8,710. The figures break down to $8,642 for domestically produced vehicles and $8,884 for imported cars.

The average amount financed by finance companies (including manufacturers' captive finance companies such as Ford Motor Credit and GMAC) was $7,300.

The average length of a vehicle loan has increased in recent years.

According to figures compiled by the Board of Governors of the Federal Reserve System, 75 percent of new-car loans financed by finance companies in 1981 were for more than 42 months. This was up from 45.2 percent in 1978. Last year was also the first in which more than 50 percent of used-car loans were for longer than 37 months.

More than $93 billion was borrowed in 1981 for the purchase of new automobiles, and $84 billion was repaid during the period. Outstanding automobile loans at the end of the year totaled more than $125 billion.

DOT figures show that for the last quarter of 1981, the average interest rate in the U. S. was 17.4 percent for a new-car loan. This was up from 10.9 percent five years earlier, and up 1.6 percentage points from the first quarter of 1981.

High interest rates have been cited as a major factor in the closing of many dealerships in the past few years. From July 1, 1981, to July 1, 1982, domestic new-car dealerships (including Volkswagen) were down 1,229 to 21,124 (Automotive News, Aug. 9).

Sources of automotive credit have dried up in some areas. Some dealerships have indicated they are using company-controlled finance companies as their only source of credit.

Both vehicle manufacturers and lending institutions have tried creative methods to spur automotive loans. For example, banks in Michigan are offering the highest legal rate of interest for new-car loans—16.5 percent. However, at least one credit union is offering 16 percent if the purchaser already has an account at the credit union and a 20-percent downpayment.

Leased Cars of America, in East Detroit, Mich., is offering a rate of 15 percent on two- to four-year leases.

In Pennsylvania, although a new law allows an 18-percent rate, the actual rate of interest can be much less, depending on length of loan, amount of downpayment and other factors.

On Aug. 31, Monticello Banking Co. of Kentucky announced a program which is setting aside $1 million in loans for the purchase of American-made automobiles, homes, farm machinery and appliances. The interest rate is set at 12 percent.

By the second day of the program, the bank had received $700,000 worth of applications.

According to Odis Eades, senior vice president of the bank, applications contained a good mixture of home, automobile, appliance and farm machinery loans.

The bank began the program as part of Gov. John Y. Brown's "Buy-A-Home" campaign. Preliminary reports indicate other banks will offer similar programs. Local retail and grocery stores are also offering discounts on merchandise.

There are six bills pending in Congress which would preempt state usury limits.

Two bills would allow loans to be awarded at a rate of interest higher than states currently allow.

Four other bills would set a national interest rate. Two of these bills would establish a national interest rate on loans over $300 at 10 percent. Two other bills would establish a national, indexed usury limit.

Resolutions were ratified in North Carolina which urge Congress to reject any legislation which would preempt state usury limits. Similar resolutions are pending in Michigan and New Jersey. California has adopted a resolution which requests Congress to enact legislation which would establish a national maximum interest rate selected by Congress and the President.

STATE USURY LIMITS
(Figures are percentages)

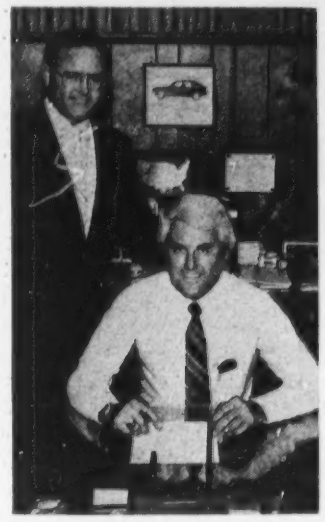
Alabama	17.2
Alaska	14.9
Arizona	*
Arkansas	10.0
California	20.8
Colorado	21.0
Connecticut	18.0
Delaware	*
District of Columbia	21.5
Florida	17.6
Georgia	17.6
Hawaii	*
Idaho	21.0
Illinois	*
Indiana	21.0
Iowa	21.0
Kansas	18.0
Kentucky	19.2
Louisiana	18.0
Maine	18.0
Maryland	21.5
Massachusetts	20.8
Michigan	16.5
Minnesota	17.6
Mississippi	17.0
Missouri	17.6
Montana	*
Nebraska	18.0
Nevada	*
New Hampshire	*
New Jersey	*
New Mexico	*
New York	25.0
North Carolina	18.0
North Dakota	*
Ohio	25.0
Oklahoma	21.0
Oregon	*
Pennsylvania	18.0
Rhode Island	21.0
South Carolina	18.0
South Dakota	*
Tennessee	*
Texas	24.0
Utah	21.0
Vermont	18.0
Virginia	24.0
Washington	21.3
West Virginia	18.0
Wisconsin	19.0
Wyoming	21.0

*More than 25 percent or not regulated.

Former dealer gives computer to college

COLUMBIA, Md. — Henry C. Marshall, a former auto dealer in Reading, Pa., donated a Texas Instruments mini-computer, valued at $50,000, to Howard Community College.

Marshall, an auto dealer for more than 30 years, closed Marshall Chevrolet - Volvo - Honda last spring. Relocated in his native Howard County, he is now active in real estate.



Arizona dealer signs

Gary Cropper, right, signs with Chevrolet to become owner of Gary Cropper Chevrolet, Inc., Casa Grande, Ariz. Witnessing is Kelsey Kemp, Phoenix zone manager.

Mikels milestone

Warren F. Mikels, left, president of Mikels Motors, Inc., Stroudsburg, Pa., receives his silver anniversary award from Cadillac representatives L. W. Bowles, center, Philadelphia zone manager, and Rita M. Miller, Allentown district sales manager.

L-M for Ford

Following a $100,000 modernization project, Lloyd Ford, left, has opened a Lincoln - Mercury dealership in Stuart, Fla., along with William A. Chamberlain. The dealership vice president/general manager is congratulated by Harold S. Feder, Jacksonville district sales manager.

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Domestics show slight gain

Imported-car TV ads up sharply in first half

By Joseph Bohn
Marketing Editor

Combined TV ad spending by domestic car firms was just slightly ahead of last year during the first six months of 1982 —but import spending showed a big jump.

Domestic auto firms spent $174,931,500 in spot and network TV during January-June, 1982, according to the Television Bureau of Advertising. That compared with $173,018,000 in the first half of 1981.

Interestingly, higher spending by two smaller domestics, American Motors and Chrysler, offset cutbacks by General Motors and Ford Motor to register the narrow gain.

AMC spent $11,567,700 in TV during the first six months against $10,405,500 in 1981. Chrysler spent $42,684,100 against $31,313,800.

GM's expenditures declined to $63,186,200 from $65,721,900, while Ford dropped to $57,493,500 from $65,576,800.

Higher network spending also offset a reduction in spot outlays.

Domestic firms spent $141,730,500 in network TV against $138,616,500 in 1981. Their spot spending dropped to $33,201,000 against $34,401.500 in 1981.

AUTO MANUFACTURERS' TV ADVERTISING

	January/June 1981			January/June 1982		
	Network	Spot TV	Total TV	Network	Spot TV	Total TV
American Motors	$ 2,318,700	$ 8,086,800	$ 10,405,500	$ 7,929,800	$ 3,637,900	$ 11,567,700
Chrysler Corp.	25,784,500	5,529,300	31,313,800	31,230,700	11,453,400	42,684,100
Ford Motor Co.	54,233,300	11,343,500	65,576,800	48,718,900	8,774,600	57,493,500
General Motors	56,280,000	9,441,900	65,721,900	53,851,100	9,335,100	63,186,200
Domestic Total	$138,616,500	$34,401,500	$173,018,000	$141,730,500	$33,201,000	$174,931,500
American Isuzu Motor Co.		1,329,900	1,329,900	—	2,755,500	2,755,500
BMW		3,256,500	3,256,500	—	3,458,000	3,458,000
Daimler-Benz	1,708,300	783,900	2,492,200	3,724,000	97,400	3,821,400
Fiat	911,700	3,883,600	4,795,300	—	525,500	525,500
Honda	6,340,600	139,800	6,480,400	8,448,300	667,100	9,115,400
Nissan	6,321,300	5,381,400	11,702,700	8,750,200	11,978,400	20,728,600
Peugeot	—	26,800	26,800	—	649,900	649,900
Renault	921,200	1,683,900	2,605,100	3,931,100	6,020,100	9,951,200
Subaru of America	3,425,800	1,713,100	5,138,900	4,060,900	1,871,000	5,931,900
Toyo Kogyo (Mazda)	7,218,400	104,100	7,322,500	7,137,300	2,027,400	9,164,700
Toyota	9,919,700	14,990,300	24,910,000	7,237,300	14,245,800	21,483,100
Volkswagen	10,130,700	5,319,200	15,449,900	10,414,500	9,777,500	20,192,000
Volvo	163,000	1,621,600	1,784,600	169,500	1,280,500	1,450,000
Top Import Totals	$ 47,060,700	$40,234,100	$ 87,294,800	$ 53,873,100	$55,354,100	$109,227,200

Source: Television Bureau of Advertising analysis from Broadcast Advertisers Reports data.

Biggest gains, though, came from the importers. They spent $109,227,200 in TV advertising during January-June, 1982, up from $87,294,800 in 1981.

Only three of the 13 import auto advertisers in the survey reduced spending. They were Fiat, Toyota and Volvo. Fiat almost dropped out of the medium after reverting to a specialty-car market.

On the other hand, Renault, which has been coming on strong as a spender, spent $9,951,200 in TV against $2,605,100 in 1981.

Renault's TV will increase even more sharply because of the Alliance launch this fall.

During the six-month period, Toyota was the top import spender, with outlays of $21,483,100, even though this was a drop from $24,910,000 in like 1981.

3 Plow Choices for Compact Trucks

6½' Compact, 6½' and 7' standard plows, all available with Isarmatic® Mark IIIa and Hydra-Turn® power angling. 6½' Compact also available with the economical Power Lift with manual angling.

Select from 3 plow sizes and 2 power options to fit your snowplowing job.

DESCRIPTION	COMPACT PLOW	STD. PLOW	STD. PLOW*
Blade Width	6½'	6½'	7'
Blade Height	24"	26½"	26½"
Gauge of Steel	12	11	11
Number of Trip Springs	2	2	2
Number of Vertical Ribs	4	4	4
Lift Height (Approx.)	14-18"	14-18"	14-18"
Plowing Width (C & Std-30° Angle)	5'8"	5'8"	6'1"
Shipping Weights (Lbs.-Approx.) varies with vehicle mounting	440-480	465-490	505-530
Isarmatic® Mark IIIa: Hydraulic (Hydra-Turn® power angling)	YES	YES	YES
Power Lift: Electro-Mechanical (manual angling)	YES	NOT AVAILABLE	

*Alternate choice—gives 6" of extra plowing width.

The Most Dependable Hydraulic System Made

The Isarmatic® Mark IIIa—Western's front-mounted, electrically driven hydraulic unit—provides swift, smooth lifting and angling action. Exclusive Hydra-Turn® power angling gives you full control of the plow from inside the cab.

Isarmatic® & IIIa Control

The Power Lift—A Western Exclusive

The Western Power Lift is an electrically driven linear actuator. It's available as a less expensive, non-hydraulic optional power source for the 6½' Compact plow. The Power Lift provides the four-wheel drive compact truck owner with a simple yet dependable raising and lowering action. Manual angling is required.

Power Lift & Switch

Compact 6½' Plow with Manual Angling

Check your yellow pages under Snow Removal Equipment for Western distributors or write:

WESTERN PRODUCTS
7777 N. 73rd Street
P.O. Box 23045
Milwaukee, WI 53223

A DIVISION OF DOUGLAS DYNAMICS, INC.

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GM extends arbitration to New York area

NEW YORK. — General Motors has introduced its third-party arbitration program — which exists in 37 cities — to Connecticut and New York.

The program for unresolved customer complaints is administered by the Better Business Bureau.

O. Robert Pansa, director of consumer relations for GM, said if the consumer follows the normal process of contacting the dealer first, then contacting the GM zone office and finally the divisional home office, and the problem still is not resolved, then the consumer can call the Better Business Bureau and submit the complain to mediation and binding arbitration. If the matter goes to arbitration it is binding on both parties.

Under this plan, GM agrees to arbitrate any dispute with a customer regarding the application, administration or interpretation of the new vehicle warranty or product question arising out of the manufacturer responsibility when the vehicle is out of warranty, up to a five-year period.

The 350 dealers in the New York area are being asked to voluntarily participate.

The introduction in Connecticut came just prior to implementation of the state's tough "lemon law."

GM began launching this arbitration program in cooperation with the Council of Better Business Bureau in June, 1978.

American Sunroof adds facility in Georgia

SOUTHGATE, Mich.—American Sunroof Co. has opened a Southeast regional facility in the Atlanta area. Robert J. Mangan is Southeast regional director.

The new center is at 2350 Sylvan Rd., East Point, Ga. ASC's other marketing and distribution centers are: Northeast region, South Norwalk, Conn.; Central region, Livonia, Mich., and Western region, Los Angeles.

Times are tough, but Conn Smith is doing OK

Dealer's got a 70-hour-week job

ST. LOUIS. — "You have to spend at least 70 hours a week on the job or you're neglecting your dealership," a Ford-Mercury dealer declared at a district sales meeting here.

Conn Smith, of Community Ford-Mercury in Petersburg, Ill., opted to go into business for himself after 21 years of managing other dealerships. He didn't pick the best of times, but within two months his dealership was in the black.

Smith previously had been with Dodge, Chrysler-Plymouth and Ford dealerships in Springfield, 30 miles southeast of Petersburg. Petersburg is a farming community, and this hasn't been a good year.

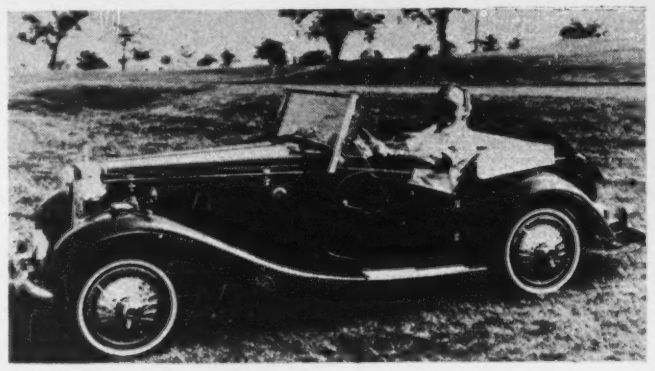
Community Ford-Mercury needed a new image so Smith decided on a new coat of paint. He noted, too, that every time a dealer sells a big car he has the opportunity to sell a small car and a truck to the same family.

Used car sales
Auction Averages

October to date	$4,481
Month ago	$4,824
Year ago	$4,356

Model breakdown
Auction Averages

	OCTOBER TO DATE	SEPTEMBER	AUGUST
1982	$8,131	$8,253	$8,749
1981	6,183	6,564	6,591
1980	4,950	5,204	5,348
1979	4,568	4,907	4,830
1978	3,524	3,822	3,867
1977	2,737	3,010	3,038
1976	1,983	1,976	2,046
1975	1,382	1,271	1,357
OVERALL AVERAGE	$4,481	$4,807	$4,910



Roadster for a winner

Dennis Hilligan shot a hole-in-one and won a London Roadster from Thomson-MacConnell Cadillac, Cincinnati. The amateur golfer was playing in the NFL Alumni Charity Golf Classic in Cincinnati.

used-car auction directory

Display Rates: $64.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $20.00; 13-times, $18.50; 26-times, $16.50; 52-times, $13.50. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

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28th ANNUAL

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- Pontiac
- Oldsmobile
- Buick
- Cadillac
- GMC Truck

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For further information, contact Mike Maltese at (313) 285-7300

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OCTOBER 19th
10:00 AM

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Factory Direct Auction Sale

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TEXAS

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NEW SALE TIME
NEW SALE DATE

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Denver Auto Auction, 4285 South Santa Fe, Englewood, Colorado 80110. Sale every Friday, 303-761-1410, 303-761-1459.

FLORIDA

Imperial Auto Auction, Lakeland, Fla. Sale every Tues., 7 P.M. & Thurs., 1 P.M. (813) 688-8458, toll free, 800-237-7661.

SOUTH CAROLINA

Bruce Auto Auction & Recon Center—Fleet and Lease car and truck disposal our thing. AAA credit. 803-242-3090, Greenville, S.C.

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Northeast Auto Auction, Bayshore, N. Y. Sale every Fri., 12 noon. Buyers galore. Sellers needed. 516-968-8844.

OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. 614-871-2771.

OHIO

Wednesday Auto Auction. Exit 49 on I-270, Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

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25784 Western Ave.
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It's 11 weeks behind last year's

4-millionth car of 1982 due today

By Patricia Hoffman
Staff Writer

U. S. auto production is expected to hit the 4-million mark today (Oct. 11), about 11 weeks later than that total was reached in 1981.

So far this year, the auto makers have finished 3,999,024 units, 20.68 percent behind the 5,041,674 cars produced in the comparable period last year.

The manufacturers wrapped up September production with 425,533 units, down 7.03 percent from 457,731 in the comparable 1981 month. It was the lowest total for that month since 355,202 units were assembled in 1961.

The makers built 1,223,906 cars during third quarter, down 10.89 percent from last year's 1,373,521. It was the lowest third quarter output since 1,215,884 units in 1970.

Last week, the manufacturers slated 83,708 cars, down 8.05 percent from 91,036 the previous week, and down 22.16 percent from 107,538 built the same week last year.

Downtime was scheduled last week at four General Motors points and four Ford Motor facilities. GM's Doraville, Willow Run and Wilmington plants, plus Ford's Kansas City, Metuchen and Wayne facilities were idle for inventory control.

GM Van Nuys and Ford Lorain were closed last week due to model changeover.

Sales, marketing execs named in Chrysler restructuring

Chrysler Corp., which is revamping its marketing operations, has made several personnel appointments.

More are anticipated as the company restructures some of its Chrysler-Plymouth and Dodge marketing activities for greater competitiveness.

As part of the changes, more day-to-day authority and long range planning authority has been elegated by John B. Naughton Sr., executive vice president of sales and marketing, to Chrysler's top sales and marketing persons.

Joseph A. Campana succeeded John K. Givens, former vice president of marketing, as Chrysler's top marketing executive. Campana has been elected vice president-marketing.

Campana is restructuring some of the functions reporting to him and naming new people to them. He is responsible for all product and corporate marketing activities, including advertising, merchandising and market research.

Replacing Campana as general manager of Truck Operations is Patrick Keegan, who had been director of sales operations in the truck group.

Keegan reports to E. Thomas Pappert, vice president of U. S. automotive sales, who now has charge of Truck Operations, Import Operations and Sales Planning and Programming, as well as the field sales organization.

Darrell Davis continues as general manager of Import Operations, reporting to Pappert. Previously, Import Operations and Truck Operations reported to Naughton.

T. R. Cunningham, who had been sales manager under Pappert, is now general sales manager in charge of dealer planning and development, vehicle distribution and scheduling.

Givens has been named vice president, sales and marketing programs, reporting to Naughton. He handles special assignments in the sales and marketing areas.

House recesses without voting on local content

WASHINGTON. — Time ran out and Congress recessed before the UAW-backed automobile domestic-content bill reached the floor of the House. But Rep. Richard Ottinger, New York Democrat, expects the bill to be brought up again during the post-Thanksgiving "lame duck" session.

However, much of the campaign thunder will have evaporated. At least some of its 200-plus co-sponsors will not be back, and the pre-Christmas session will have to be used for money bills.

Canadian makers assemble 70,324 cars for month

The Canadian auto makers wrapped up September production with 70,324 units, more than triple the 22,690 built in the comparable 1981 month.

During the third quarter, the auto manufacturers finished 190,249 units, up 88.05 percent from last year's 101,167.

Truck output last month reached 34,835, a 12.73 percent gain from 30,901 built in September, 1981, and the total for the third quarter of 1982 was 102,026, up 11.26 percent from 91,699 trucks completed during the third quarter last year.

Last week, the auto makers slated 5,203 units, down 69.60 percent from the previous week's 17,115, and down 62.89 percent from 14,021 in the comparable 1981 period. Each of the Big Three had plant downtime last week.

The truck manufacturers targeted 4,699 units last week, down 32.05 percent from 6,915 the previous week, and down 28.49 percent from 6,571 built the same week last year.

Truck production shows rise for month, quarter

Domestic truck production in September reached 146,274 units, a 13.27 percent gain from 129,135 built the same month last year. The total for third quarter was 450,571, up 31.59 percent from 342,406 the comparable 1981 period.

Last week, the makers slated 21,823 trucks, down 36.49 percent from the previous week's 34,362, and down 17.77 percent from 26,540 in the year-ago period.

Idle last week for inventory adjustments were General Motors' Flint (pickup line), Janesville and St. Louis facilities; Ford Motor's Kansas City, Kentucky, Norfolk, Michigan and Twin Cities points, Chrysler Corp.'s Warren plant, and American Motors' Toledo facility. Volkswagen of America's Westmoreland point, idled June 28, remained closed for model changeover.

Chrysler contract appears doomed

Continued from Page 1

COLA increase paid in March 1981 for the previous December-to-February cost Chrysler $4.1 million. The total COLA payment of $1.15 for December, 1979, to February, 1981, cost the company $29.2 million, according to a Chrysler official.

Workers at Chrysler made concessions worth more than $1 billion from 1979 to 1981 to help the company qualify for federal loan guarantees.

The new contract is a one-year agreement on economics and two years on working issues. It provides three quarterly lump-sum cost-of-living adjustments (COLA) and wage increases tied to company profitability, and it cracks down on chronic absenteeism.

U. S. CAR PRODUCTION

	Week Ended Oct. 9, 1982	Week Ended Oct. 3, 1981	Week Ended Oct. 2, 1982	Sept. Total	Jan. 1 to Oct. 3, 1981	Jan. 1 to Oct. 9, 1982
AMERICAN MOTORS	3,770*	.....	3,760*	12,126	97,572*	66,709*
AMC Total	770*	.....	760*	3,191	.....	43,009*
Spirit	.....	.....	.....	38	.....	.....
Concord	.....	.....	.....	279	.....	.....
Eagle	.....	.....	.....	2,874	.....	.....
Renault Total	3,000*	.....	3,000*	8,935	.....	23,700*
Alliance	3,000*	.....	3,000*	8,935	.....	23,700*
CHRYSLER CORP.	14,850	12,775	15,008	58,041	605,611	462,040
Plymouth Total	6,050	4,760	5,441	21,764	311,850	185,997
Horizon	2,200	2,914	2,216	9,022	120,784	60,941
Reliant	3,800	1,846	3,169	12,183	181,479	124,223
Caravelle ('81)	.....	.....	.....	.....	2,139	.....
Caravelle ('83)	50	.....	56	559	.....	833
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	2,300	2,787	2,483	11,429	27,247	91,193
LeBaron	1,400	2,787	1,613	6,692	22,385	82,245
Chrysler	.....	.....	.....	.....	4,862	.....
Chrysler E-Class	900	.....	870	4,737	.....	8,948
Dodge Total	6,500	5,228	7,084	24,848	266,514	184,850
Omni	2,200	2,966	2,105	8,202	105,064	57,000
Aries	3,300	1,365	3,620	10,765	142,403	96,130
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	500	897	508	2,153	2,721	25,658
Dodge 600	500	.....	851	3,728	.....	6,062
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	12,857	25,096	19,949	74,764	1,073,423	838,756
Ford Division	6,825	16,631	13,024	46,734	733,237	527,438
Escort	1,063	9,706	4,431	17,561	285,726	210,389
Fairmont	.....	668	3,173	8,308	148,156	94,744
Must./Must. II	1,778	4,214	1,912	13,494	128,910	101,414
LTD/Granada	3,849	951	3,509	7,371	75,619	86,103
Thunderbird	.....	848	.....	.....	53,538	29,326
Ford	.....	.....	.....	.....	40,886	.....
EXP	135	246	.....	.....	402	5,462
L-M Division	6,032	8,465	6,925	28,030	340,186	311,318
Mercury Total	3,972	6,841	4,860	19,286	294,294	237,257
Lynx	379	3,140	849	4,637	98,503	65,742
Capri	462	843	386	3,684	42,535	28,157
Zephyr	.....	83	707	1,780	43,557	30,433
Marquis/Cougar	1,608	318	1,434	2,624	35,068	40,458
XR-7	.....	746	.....	.....	25,713	10,580
Mercury	1,460	1,635	1,484	6,561	48,697	60,462
LN7	63	76	.....	.....	221	1,425
Lincoln Total	2,060	1,624	2,065	8,744	45,892	74,061
Continental ('82)	412	806	413	1,749	3,221	15,339
Lincoln	1,192	441	1,075	4,462	20,957	34,391
Mark VI	456	377	577	2,533	21,714	24,331
GENERAL MOTORS	49,911	65,471	52,208	280,602	3,134,291	2,566,804
Buick Division	12,338	13,321	11,165	60,504	696,187	596,481
Skylark	400	2,655	578	14,656	213,972	113,501
Skyhawk J	1,375	.....	.....	4,091	.....	53,634
Century	640	64	1,140	2,951	91,895	93,126
Regal	4,022	5,209	4,043	16,879	206,123	163,703
Buick	4,285	3,948	4,118	16,354	131,038	140,978
Riviera	1,616	1,445	1,286	5,573	53,159	31,539
Cadillac Division	5,893	6,412	5,418	24,383	205,306	182,097
Cimarron	398	895	.....	1,465	17,841	5,648
Seville	582	679	592	2,599	19,012	17,017
Eldorado	1,313	1,214	1,191	5,204	46,436	43,921
Cadillac	3,600	3,624	3,635	15,115	122,017	115,511
Chevrolet Division	12,970	23,269	19,073	90,737	1,156,096	827,534
Chevette	.....	7,362	4,837	16,391	273,314	170,544
Cavalier	3,525	4,690	.....	9,566	83,178	70,450
Celebrity	1,160	.....	2,574	10,888	.....	55,624
Camaro	167	.....	2,878	17,979	87,694	179,030
Citation	2,440	163	2,533	9,311	255,934	137,658
Malibu	2,715	3,448	2,696	9,833	184,247	96,939
Monte Carlo	1,863	2,178	1,734	8,434	108,689	59,479
Chevrolet	500	4,805	1,213	5,791	139,656	35,302
Corvette	600	623	508	2,544	23,384	22,508
Oldsmobile Division	14,863	14,492	10,008	72,337	668,959	600,595
Omega	.....	2,148	.....	5,045	113,056	64,047
Firenza	654	.....	.....	1,557	.....	36,342
Cutlass	6,000	4,795	4,564	22,592	307,856	160,724
Cutlass/Ciera	.....	56	.....	14,787	702	96,068
Oldsmobile	7,175	6,560	4,667	25,011	213,047	217,800
Toronado	1,034	933	777	3,345	34,298	25,614
Pontiac Division	3,847	7,977	6,544	32,641	407,743	360,097
Acadian†	.....	68	187	726	16,170	9,123
2000	1,030	2,553	.....	3,008	56,705	32,919
1000	.....	2,065	854	2,473	69,437	29,791
Firebird	117	.....	1,906	12,539	43,468	107,209
Phoenix	620	.....	364	2,644	81,812	39,301
G. Prix/B'ville ('83)	2,080	3,291	2,400	6,736	88,060	111,551
A6000	.....	.....	833	4,515	.....	30,203
LeMans	.....	.....	.....	.....	42,027	.....
Pontiac	.....	.....	.....	.....	10,064	.....
VOLKSWAGEN	2,320*	4,171	111	.....	129,183	62,552
CHECKER	.....	25*	.....	.....	1,594*	2,163*
Total Cars, U. S.	83,708	107,538	91,036	425,533	5,041,674	3,999,024

TRUCK PRODUCTION IN U. S.†

	Week Ended Oct. 9, 1982	Week Ended Oct. 3, 1981	Week Ended Oct. 2, 1982	Sept. Total	Jan. 1 to Oct. 3, 1981	Jan. 1 to Oct. 9, 1982
CHEVROLET	8,904	7,981	12,634	51,743	365,770	527,637
DODGE	300	2,061	2,602	10,995	71,074	100,194
FORD	8,339	10,335	11,624	53,678	492,868	549,396
GMC	2,200	2,800	3,597	15,471	130,041	185,763
INTERNATIONAL	1,030	1,316	1,105	2,419	56,740	37,803
VOLKSWAGEN	.....	597	.....	.....	32,600	8,103
JEEP	.....	.....	1,750*	7,348	78,188*	66,589*
AM GENERAL	50*	50*	50*	220*	3,036*	1,880*
MISCELLANEOUS	1,000*	1,400*	1,000*	4,400*	51,520*	44,000*
Total Trucks, U. S.	21,823	26,540	34,362	146,274	1,281,837	1,521,365

CANADIAN TRUCK PRODUCTION

	Week Ended Oct. 9, 1982	Week Ended Oct. 3, 1981	Week Ended Oct. 2, 1982	Sept. Total	Jan. 1 to Oct. 3, 1981	Jan. 1 to Oct. 9, 1982
CHRYSLER CORP.	2,160	.....	2,199	10,511	62,838	81,512
FORD MOTOR	279	420	2,905	6,726*	110,846	106,886
GENERAL MOTORS	2,000	6,151	1,811	17,228	205,484	190,767
INTERNATIONAL	260	.....	.....	370	8,881	8,426
Total Trucks, Canada	4,699	6,571	6,915	34,835	388,049	387,591
N. American Trucks	26,522	33,111	41,277	181,109	1,669,886	1,908,956

†—New includes window van production. *—Estimated.
Jeep includes commercial only. All General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended Oct. 9, 1982	Week Ended Oct. 3, 1981	Week Ended Oct. 2, 1982	Sept. Total	Jan. 1 to Oct. 3, 1981	Jan. 1 to Oct. 9, 1982
AMERICAN MOTORS	906	852	871	2,830	26,030	24,954
CHRYSLER CORP.	.....	2,750	3,512	15,144	47,201	126,350
FORD MOTOR	472	2,162	6,010	20,699*	166,506	230,986
GENERAL MOTORS	3,600	8,032	6,497	30,784	380,312	279,670
VOLVO	225	225	225	867	7,851	7,972
Total Cars, Canada	5,203	14,021	17,115	70,324	627,900	669,932
N. American Cars	88,911	121,559	108,151	495,857	5,669,574	4,668,956
N. American Trucks	26,522	33,111	41,277	181,109	1,669,886	1,908,956
North American Cars and Trucks	115,433	154,670	149,428	676,966	7,339,460	6,577,912

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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Automotive News

October 18, 1982

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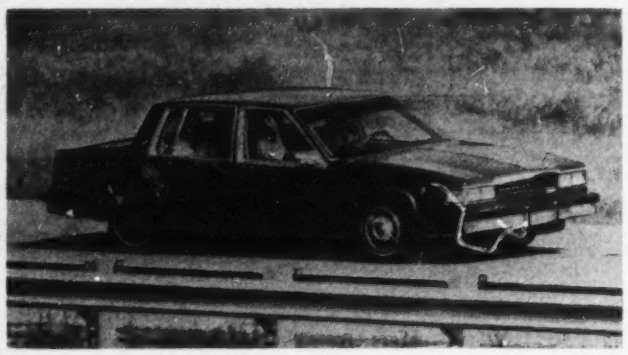
Looking into GM's future

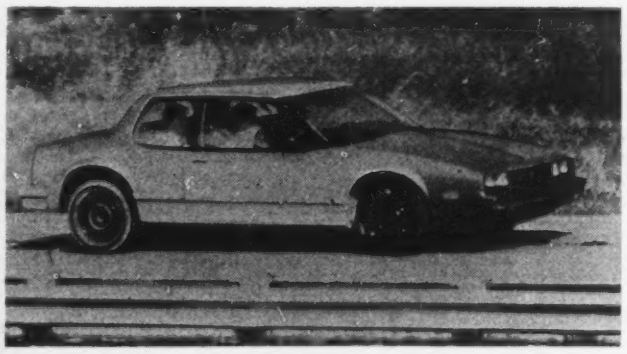


Cruisin' in the C-body

A crew of General Motors proving-ground employes take a test ride in a new Cadillac front-drive C-body sedan prototype. The Cadillac, along with its Oldsmobile 98 and Buick Electra sister cars, will bow as an '84 model. The Cadillac and Olds versions will be built at GM's new Lake Orion (Mich.) assembly plant, beginning next summer. The C-bodies have fully independent suspension. Standard power may be a V-6 engine.

Blazurbanvan?

This unusual prototype, which appears to be a cobbled-up collection of parts from the GM truck lineup, may, in fact, be an early test mule for a new downsized GM van. Reportedly, GM is considering introduction of the new van, codenamed M-van, sometime in 1985. It will compete with similar entries from Ford and Chrysler.



The enigmatic 'E'

Origins of this vehicle are sketchy but sources speculate that it's an early prototype for GM's new front-drive E-body, which will replace the current Cadillac Eldorado, Oldsmobile Toronado and Buick Riviera in '85. The E-cars will be built at the new GM Detroit assembly plant.

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Diesel car sales plunge; penetration below 5 pct.

By Jim Plegue
Staff Writer

Sales of diesel-powered automobiles in the U. S. plunged 34.10 percent and accounted for less than 5 percent of the total market during the 1982 model year.

Domestic and import makers sold 353,507 diesel cars during the '82 season, a substantial drop from the 536,440 sold during the '81 model year.

Consequently, the diesel share of the market dipped from 5.98 percent of total domestic and import-car sales during the '81 campaign to 4.59 percent in the '82 model year.

The depressed total came on the heels of a two-year diesel sales bonanza. Sales jumped significantly during the 1980 and 1981 calendar years but the diesel juggernaut fizzled in early '82 as consumers reacted promptly to lower or stabilized gasoline prices as well as the premium price tag on many diesel-engine options.

• "We'll just sit back and wait for gasoline prices to go up again," was the rather cavalier observation by an official of one import company.

Indeed, some analysts feel that diesel fuel may soon regain a large price advantage over gasoline, igniting another buying spree.

Ruzicheimer Reports on Automotive Alternatives, in its inaugural September issue, noted that the diesel-fuel price advantage over gasoline had risen from an average 4.9 cents in April to an average 8.6 cents in August of this year.

And Chase Econometrics last week estimated that the diesel-installation rate in the U. S. could top 14 percent of total car sales and 17 percent of total light-truck sales in 1985. The forecast was made on a probability-weighted basis using what Chase called "the mostly likely scenario."

Hardest hit by the current diesel sales slump was General Motors. GM's sales of 187,823 diesel cars during the '82 model year were down 44.91 percent from the 340,916 sold during the '81 model year.

Likewise, GM's diesel market share was sheared 10.42 percent-

Continued on Page 8, Col. 1

Domestic-car stockpile cut back to 69 days as intros boost sales

By Richard A. Wright
Assistant Managing Editor

The domestic new-car inventory slid to 69 days Oct. 1 from an 88-day supply a month earlier as several new models hit the showrooms and the sales rates perked up a bit.

The domestic new-car inventory totaled 1,350,366 Oct. 1, down from 1,379,434 Sept. 1. While the Oct. 1 total was well below the 1,426,922 new cars on hand a year ago, both unit counts represented 69-day supplies.

The inventory of new imported cars also dropped during September, but not as dramatically as the domestics. There were 354,500 new imported cars in stock Oct. 1, a 48½-day supply, down from 387,780 a month earlier, a 51-day supply.

All five domestic corporate makers trimmed their inventories during September in terms of days supply, although American Motors and Chrysler Corp. logged increases in their unit counts — which were more than offset by higher sales rates.

• GM chopped its stockpile to 69 days Oct. 1 from 86 a month earlier. Generally, the larger cars were in leaner supply, while X-bodies and A-bodies were still heavy.

Ford Motor Co. opened October with a 67-day supply, down from 88 days a month earlier. Stocks were generally balanced, with the lightest supplies in those lines which will undergo extensive redesigning (Thunderbird and Cougar) or will be replaced with new cars (Fairmont and Zephyr).

Chrysler Corp. had a 77-day supply Oct. 1, down from 85 days a month earlier. Chrysler's inventory included almost 10,000 E-Type Chryslers and Dodge 600s which had not yet gone on sale.

AMC had a 71-day supply of new cars Oct. 1, down from 106 days a month earlier. About one-third of the stockpile was its new Alliance line, which got off to a fast sales start and was in 42-day supply.

Volkswagen of America sliced deeply into its inventory during September and cut it from 85 days to 53 days.

The Oct. 1 domestic inventory was divided this way: GM, 61.64 percent; Ford Motor Co., 21.80 percent; Chrysler Corp., 12.54 percent; AMC, 2.60 percent, and VWoA, 1.42 percent.

A month earlier, the domestic inventory was divided as follows: GM, 61.37 percent; Ford Motor Co., 22.53 percent; Chrysler Corp., 11.56 percent; AMC,

Continued on Page 51, Col. 3

Import inventory dips to 48½-day supply

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. dropped again during September and stood at a 48½-day supply Oct. 1, down from 51 days a month earlier.

The import inventory was riddled with shortages last month, and this month they are even more severe. Some lines are so lean that sales are being affected.

The inventory of new imported cars totaled 354,500 Oct. 1, compared with 387,780 a month earlier.

While an increased sales rate among domestic lines in September helped trim the U.S.-built stockpile from 88 to 69 days Oct. 1, the import sales

Continued on Page 51, Col. 3

breaking news

American steel shipments rise a bit

WASHINGTON.—Shipments of steel from U. S. mills in August rose slightly from the 20-year low reached in July, but they still were 32.7 percent below those of August, 1981, and were off 31.4 percent for the first eight months of 1982, the American Iron & Steel Institute said. August shipments were 4,724,000 tons against 4,514,000 in July and 7,020,000 in August last year.

Bieber enters race to succeed Fraser

DETROIT.—Owen Bieber, UAW vice president and director of the General Motors Department, has entered the race to succeed Douglas A. Fraser as president of the 1.3-million-member union. Bieber said he believes he "has a shot at winning it." Other major contenders are Donald F. Ephlin, vice president and director of the Ford Department, and Ray-

See BREAKING NEWS, Page 8, Col. 1

Age discrimination case expected to last a long time

Spaulding's GM suit switches courts

By Roger Rowand

Mention George G. Spaulding in some crowds around Detroit and there'll be an E. F. Hutton commercial response of immediate, attentive silence.

Spaulding, 62, is suing General Motors for $69 million for age discrimination after being summarily pushed out in June, 1981. Interest has been acute in many circles.

A strong rumor spread through automotive offices last week that the case had been settled. Some said under the settlement GM paid $10 million to the former Pontiac executive and 22-year GM veteran.

The rumors aren't true.

The case is very much alive, but one major change may have led to speculation. The case, at GM's request, was switched to federal court in Detroit from state court in Pontiac.

It may go on for a long time if the preliminaries are any indication.

As the opposing sides hassle over the intricacies of pre-trial discovery proceedings, Spaulding's lawyers say they need depositions from 31 individuals, 20 of whom are vice presidents or above at GM.

They told the court they expect it will take 18 months and lots of travel to run through those depositions.

High on the deposition list are William E. Hoglund, Pontiac general manager, and Robert E. Chandler, personnel director at Delco Products Division, Dayton.

Spaulding was general sales manager at Pontiac and Hoglund figured prominently in his removal, Spaulding said. Spaulding was offered a job at Delco Products if he were to step down at Pontiac, GM said.

In addition to age discrimination, Spaulding also is charging defamation of character, breach of contract and breach of good faith.

He recently asked Judge Avern Cohn to order GM to retire him. The company has declined on the ground such a move would have to be based on age and would give Spaulding more age-discrimination ammunition.

• Spaulding was put on layoff-inactive status in September, 1981, and given 8½-months severance allowance at $7,500 a month, or a total of $63,750. Then he had two options. He could retire under a mutually agreeable plan or he could wait until September 1982, and retire at corporate option.

GM said it was willing to retire him at corporate option if he signed an agreement waiving additional allegations of age discrimination.

If he had retired, he would have received about $3,000 a month in retirement pay and kept medical and life insurance.

When his replacement at Pontiac first was discussed, Spaulding was offered full pay for the balance of the year and GM in advance paid a firm called THinc a fee of $40,000 to help him find a job outside GM, documents show.

At one point, in exchange for an amicable settlement, GM offered to add supplementary retirement benefits to the level they would have reached had he remained three more years to age 65—but with a release of all claims.

Spaulding rejected the Delco Products job and its comparable salary, the job-finding help and the sweetened retirement plan and filed suit.

Spaulding's address on court documents is Kiawah Island, S. C. He received no GM pay between the severance allowance and retirement, his lawyers told the court.

He is "unable to acquire another employment position in his field by which to support himself and family" because of the termination and the way in which it was done, Spaulding's lawyer said.

The next round will be at 4 p.m., Dec. 7 in Judge Cohn's courtroom when a status conference will be held.

Different kind of kit car

This Ford LTD is inconspicuously armored with a pre-fab kit made by Custom Armor Manufacturers, Ft. Lauderdale, Fla. The kits, designed for police and security fleets, are said to take about 40 hours to install. Kits are priced between $15,000 and $30,000.

IH reports progress, but situation still grim

By Edward Lapham
Financial Editor

International Harvester Co.'s fight to survive without federal intervention progressed last week through a series of developments, most of which were positive.

The company announced that nearly all of its 200 lenders had agreed to a debt restructuring plan which is crucial to the company's survival and that after only one week of serious negotiating, it already had secured $10 million in supplier concessions, also necessary for survival.

At the same time, however, the company's own assessment of its survival chances were portrayed in dismal, candid terms in a stock offering filing with the U. S. Securities and Exchange Commission.

The filing said the company expects to continue losing money for another year and that reorganization under Chapter 11 of the Federal Bankruptcy Act remains a possibility even if its debt-restructuring and supplier-concession campaigns are successful.

IH also said it anticipates a cash-flow shortfall of more than $100 million through the next few months. It said it will lose $1.5 billion this year.

Eli Lustgarten, Paine Webber Mitchell Hutchins analyst, called the dire statements in the SEC filings made last week and the prior week irrelevant.

"They are just a condensation of all the bleak statements made during the last six months," Lustgarten told AUTOMOTIVE NEWS. "Harvester, really, has been in bankruptcy for two years."

Arvid Jouppi, Arvid Jouppi Associates, Inc., said the statements were made in "protective language to protect the officers and directors from charges later that they overstated the situation."

• Still, there was some valid concern for the company's long-term survival prospects.

"Don't be surprised," said one federal government analyst, "if you see them filing for bankruptcy by the end of the month."

IH has scheduled a special shareholders' meeting on Oct. 28 at which shareholders will be asked to approve another part of the survival plan. It enables increasing the authorized number of common shares to 100 million from 60 million, plus authorizing common stock warrants and preferred stock which will be issued to lenders, note-holders, dealers and suppliers in exchange for concessions.

Under the terms of the survival plan, the 200 lenders were asked to revise, for the third time in less than a year, the company's $4.2 billion debt agreement, this time to convert up to $350 million of the debt

Continued on Page 8, Col. 3

U. S. total down 10.2 pct. from '81, but daily rate climbs

Early Oct. sales fall to 24-year low

By Jenny L. King
Staff Writer

Early-October domestic new-car sales refused to recover from last year's depressed level and were lowest for the third period of a new model year since 1958.

The sales total this year was 132,326, down 10.21 percent from 147,366 a year earlier. On a daily-selling-rate basis, however, they were up 1.02 percent, to 16,541 from 16,374 in 1981. There were eight days in the period this year compared with nine a year ago.

The count of 132,326 was the lowest for Oct. 1-10 since 1958, when 88,254 cars were delivered.

All of the major auto makers were down on a year-to-year comparison; three were up on a daily-rate basis. General Motors dealers retailed 86,703 units Oct. 1-10, down 0.21 percent from 86,887 last year (up 12.26 percent daily rate). Ford Motor Co. sales of 23,086 were down 33.31 percent from 34,618. It was Ford's second poorest 10-day total of the calendar year. The company was down 24.98 percent on a daily-rate basis.

Chrysler Corp. reported sales of 18,071 new cars, down 9.34 percent from 19,932 (up 1.98 percent daily rate). Estimated American Motors sales of 3,300 were down 2.94 percent from 3,400 a year earlier (up 9.26 percent daily rate), while Volkswagen of America reported its second lowest numbers of the year, dropping to 1,166 from 2,529 and down 53.89 percent (down 48.04 percent daily rate).

DOMESTIC SALES

	Oct. 1-10, 1982	Oct. 1-10, 1981
AMERICAN MOTORS	3,300†	3,400†
Chrysler	6,165	1,347
Imperial	39	78
Plymouth	5,278	9,438
Dodge	6,589	9,069
CHRYSLER CORP.	18,071	19,932
Ford	14,034	24,018
Mercury	5,875	8,478
Lincoln	3,177	2,122
FORD MOTOR CO.	23,086	34,618
Buick	23,991	16,932
Cadillac	6,752	7,137
Chevrolet	21,403	29,435
Oldsmobile	25,408	21,095
Pontiac	9,149	12,288
GENERAL MOTORS	86,703	86,887
VOLKSWAGEN	1,166	2,529
INDUSTRY TOTAL	132,326	147,366

† Estimate

• GM climbed nearly 7 percentage points to a 65.52-percent share of the early-October domestic market, up from 58.96 percent last year. Ford earned 17.45 percent, down from 23.49 percent. Chrysler sales accounted for 13.66 percent, up from 13.52 percent. AMC edged to 2.49 percent from 2.31 percent, and VWoA had only 0.88 percent of the market, down from 1.72 percent.

Chrysler, Lincoln, Buick and Oldsmobile enjoyed healthy sales increases in early October. Figured on a year-to-year basis, Chrysler multiplied its total by more than four, soaring to 6,165 from 1,347. Lincoln was up 49.72 percent, Buick was up 41.69 percent and Oldsmobile was up 20.34 percent.

Sales decreases by make were as follows: Plymouth, down

Continued on Page 51, Col. 1

U. S. delays printing of fuel-economy guide

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — The Department of Energy, ignoring the mandates of a 1975 law aimed at giving car buyers comparative information on vehicle fuel economy, has put a hold on publication of the 1983 Fuel Economy Guide. It may print so few as to leave automobile dealers responsible for distributing them in legal jeopardy.

Under the Energy Policy and Conservation Act, the guides are required to be available to all car buyers.

They provide information to buyers and potential buyers of various classes of cars, light trucks and four-wheel-drive and utility vehicles pertaining to city driving fuel economy, estimated fuel costs for the year, interior volume, engine size, transmission type, fuel delivery system and emission control system.

Congress mandated them so consumers could shop intelligently for the most fuel-efficient vehicle to suit their purpose. Auto dealers must have them available for distribution under penalty of law.

Normally, the guides would have been printed and would be on their way to auto dealers by now, but this year the people responsible for printing them are still waiting to get permission to even begin work.

Sources within the various departments and agencies that are involved in the creation of the guide say they have received hundreds of requests for them but have had to tell those asking to sit tight until "we get the OK to print."

The man apparently responsible for the delay is Robert C. Odle Jr., DOE assistant secretary for congressional, intergovernmental and public affairs. Odle was out of town last week and unavailable for comment.

• DOE usually prints 7 million to 10 million guides each year at a cost of about $1 million, or 15 cents apiece. One printing is done in October, another early the following year.

After being printed, they are shipped to government publication distribution centers from which car dealers order them. Dealers must have them available for potential car buyers or face a $1,000 fine per instance.

Most years, all the guides are used up, indeed in 1978 the government ran out of them, but last year it ended up with an extra million, due in large part to the drastic decline in car sales.

In fact, last year the government did not even print the second edition of the guide which contains many of the imports and late-introduction models.

That situation, along with DOE's long-running questions about the efficiency of its distribution system and the fact that all new cars and light trucks carry fuel economy labels any way, apparently caused Odle to call a halt to things while alternate ways to put the information before the public were analyzed.

One option considered was printing only enough Fuel Economy Guides for each auto dealer in the country. Dealers would then be expected to display it prominently for car buy-

Continued on Page 51, Col. 1

NHTSA sides with makers in court

Passive-belt deadline is called unmeetable

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—In response to a directive from the appellate court in the District of Columbia, NHTSA says no auto company can meet a September, 1983 — or 1984 model-year — deadline for installing passive restraints across the board.

Obviously, the Toyota Cressida and the Volkswagen Rabbit and Jetta — which already have complying automatic belt systems — can, but these are far from the total lineups of those makers.

The estimates of when passive restraints could be installed on cars — from 19 auto makers accounting for some 98 percent of all vehicles sold in the U. S. — are interesting for the differences.

The time estimates are contained in letters and affidavits sent by the companies to NHTSA, which filed them with the Circuit Court of Appeals for the District of Columbia.

None was enthusiastic. Chrysler Corp. and Ford Motor Co. were notable for their outright opposition. General Motors indicated it may be ahead of the others. The "missing" company was Mercedes-Benz — not party to the litigation, since it is not a member of either the import group (Automobile Importers of America) or the domestic organization (MVMA). Neither has acted on its own.

Unanswered at this time is whether the U. S. Supreme Court will review the D. C. Circuit Court's rejection of NHTSA's rescission of the passive-restraint standard. In effect, that upheld the controversial Standard 208, which called for passive belts or air bags in 1984-model cars.

Remaining also is the uncertainty of what will be the effective date — if the standard survives its final appeal — and whether NHTSA will set an effective date after rulemaking or if a court will do so.

Leadtime requirements given by auto makers range from 21 months to 24 months for limited models. According to NHTSA, "Almost all manufacturers also state, however, that for many of their models, compliance will not be possible until September, 1985, and in a few instances, even later.

"Only the largest domestic and Japanese manufacturers, General Motors and Nissan, and two European manufacturers, Volvo and BMW, have said that a compliance date of September, 1984, could enable them to continue marketing many of their models," NHTSA reported.

NHTSA labeled as "credible" the numerous reasons given by the makers for not being able to achieve the 1984-model-year effective date.

One reason cited was that cars with a wheelbase shorter than 100 inches (about 41 percent of current production) were originally given extra time to comply because of greater difficulty in managing energy forces.

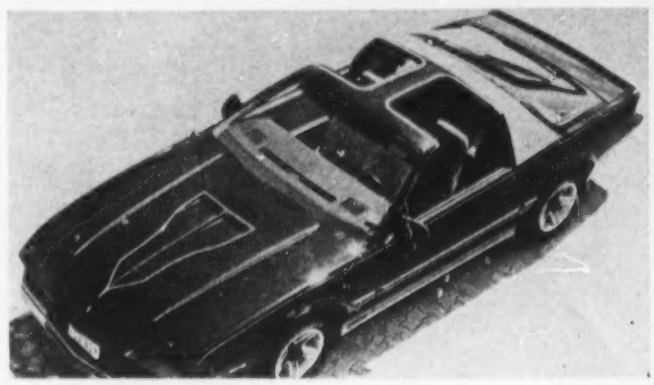
Another reason makers say they can't comply across the board by 1984 models is that they originally had differing time frames for various models. When the standard was rescinded, the makers diverted—"properly," according to NHTSA — their resources to other matters.

• Even after reassembling their specialists, the makers say, design problems are still substantial.

"An early, simultaneous compliance date for all models could exacerbate the renegotiation of contracts between the manufacturers and the limited number of passive-restraint parts suppliers, as well as adversely affect those suppliers' delivery schedules," NHTSA said.

Finally, if the 1984-model ef-

Continued on Page 38, Col. 1



A T-top that tilts

Continental T-Top, Ltd., Dallas, has introduced a new T-roof for the Camaro/Firebird models with tinted glass panels that can be either removed or tilted upward. A similar treatment is also offered for the Toyota Celica GT. The roofs are covered by a 12-month warranty.

Petersen emphatic on avoiding 'advocacy'

Ford policy: No union seat on board

By Al Fleming
Industry Editor

WHITE SULPHUR SPRINGS, W. Va. — There is no labor union representation in the future of Ford Motor Co.'s board of directors.

That was made emphatically clear by Ford President Donald E. Petersen following a speech at The Greenbrier resort here, where he addressed a meeting of the Society of Automotive Engineers.

Following his talk, which focussed on Ford's new style of "participative-cooperative" management and employe involvement in the company's decision-making, Petersen was asked by AUTOMOTIVE NEWS about the chance of the UAW being offered a seat on the company's board of directors.

He replied, "The chances are not very great."

He then explained that the company does not believe it is "fundamentally sound" to have "advocates" on the board.

"We believe each member of the board of directors should be representing all the shareholders," Petersen said, "because if you start the process of advocacy, then you'd have each seat on the board representing some faction.

• "Therefore, we don't think it's sound (to have labor represented on the Ford board), we're against it and Don Petersen is against it," he said.

"We think the twice-a-year invitation of Don Ephlin (UAW vice president in charge of the Ford Department) is a good avenue for communication without going all the way to a board membership."

Under the new Ford-UAW contract, Ephlin has an invitation to speak to the auto firm's board of directors twice a year. A similar rule exists in the General Motors-UAW pact relative to the GM board and Owen Bieber, union vice president in charge of the GM Department.

Ephlin informed AUTOMOTIVE NEWS that he will address the Ford directors, "after Nov. 12."

Told of Petersen's rigid position against union participation on the company board, Ephlin said, "One thing you learn in labor negotiations is never say never."

He indicated the UAW would not give up on its drive to sit on the boards of the major auto companies.

Chrysler Corp., with UAW President Douglas Fraser on its board, is the only U. S. auto company with labor represented among its directors.

• Petersen's talk at the automotive engineers' annual fall meeting, Oct. 8, came a day after Ford Chairman Philip Caldwell and Ephlin were interviewed on NBC-TV's Today show on the new spirit of cooperation between company management and labor.

In his prepared remarks, Petersen talked about Ford's new management style and its goal in turning from a "hierarchical-dictating approach" to a "participative-cooperative approach."

He pointed out that Ford is working to foster "people orientation" while "compressing the layers of supervision and broadening the spans of control."

He said that along with changes in management style, the company recognizes the benefits of employe involvement and giving workers a greater opportunity to participate in day-to-day decisions affecting their jobs, worklife and plant operations.

Petersen said that virtually every Ford facility has an employe involvement program and, through some 900 "problem-solving groups," nearly 10,000 workers are helping to shape decisions about their operations and environment.

"Employe involvement is having a significant impact in changing attitudes and producing tangible results from the factory floor to the executive suite," Petersen said.

But that involvement, he stressed, does not include the voice of labor on the Ford board.

Must have more money, workers warn

It's back to start for Chrysler, UAW

By Marjorie Sorge
Labor Editor

The new UAW-Chrysler Corp. contract died last week, but even before the body was cold the two sides were back at the bargaining table.

Officials of the UAW and Chrysler met in a main-table session last Friday (Oct. 15) to begin work on an alternate agreement. Voting on the contract ended Thursday.

According to UAW President Douglas A. Fraser, any new contract must have upfront money for wage increases and cost-of-living allowance payments. He said the workers will not settle for the same contract in a different form.

"It is impossible to rearrange that package to the satisfaction of the Chrysler workers," he said. "We could have arranged upfront money (in the defeated contract), but we would have had to give up COLA for it."

A strike is possible if a new agreement cannot be worked out soon or if the workers, who currently have no contract, decide to walk out until a new one is ratified.

Fraser said he hopes there will be no wildcat strikes, but he is not dismissing the possibility.

The defunct pact called for three quarterly lump-sum COLA payments and tied wage increases to Chrysler's profitability. It was a one-year agreement on economics and two-years on working issues. Fraser said he would like to keep the economic package at one year.

"The contract does not meet the expectations of the workers," Fraser said. "The Chrysler workers are extremely unhappy with the contract they voted on."

Workers voted down the agreement by a 2 to 1 margin, which Fraser said was "overwhelming."

He said he was never confident the agreement would be ratified and even at the bargaining table thought the contract could be defeated. But, he said, when strikes broke out at Chrysler plants when the Sept. 15 midnight deadline passed and Chrysler didn't come forward with any sweeteners for the agreement, he was satisfied the company had reached its monetary limit.

Thomas W. Miner, Chrysler industrial relations vice president, has said the company has no more money to give, but Fraser said Chrysler now will have to shift funds from other sources — marketing, for example — to increase the economic package.

While Fraser said he has an idea how much money will satisfy the workers, he declined to reveal the figure.

Maryann Keller, vice president and auto analyst for Paine Webber Mitchell Hutchins, Inc., said an increase of $1 to $1.50 an hour could make the difference. But, she said, the impact of the defeated agreement is far-reaching, touching the other auto makers.

According to Keller, the Chrysler vote shows that workers have not changed their aspirations, even after they have made concessions. She said their expectations have been fueled by management's optimism and historic wealth.

"The Chrysler vote shows that the industry has not been able to convince the work force it is experiencing a secular decline in its ability to compete," she said. "They cannot convince the workers that they are not yet able to compete with the Japanese."

This attitude will still be around when the Ford Motor Co. and General Motors contracts expire in 1984, Keller said. Workers at those companies made concessions earlier this

Continued on Page 50, Col. 3

Chrysler revises floorplan aid on '83 models

General Motors' and Ford Motor's floorplan assistance programs remain unchanged for '83, and Chrysler Corp. has modified its program a bit.

Chrysler reduced the charge on domestic vehicles by $5 and dropped imports from the coverage.

Essentially, Chrysler cut the charge for supplementary floorplan coverage on domestic vehicles to $95 for cars, $100 for trucks.

This charge against the base wholesale price of vehicles covers Chrysler paying the first 10 percentage points of interest on the total factory invoice price of each vehicle from the 15th day after delivery of domestic cars up to the 90th day.

Dodge D-250, W-250, D-350 and W-350 trucks get coverage from the 15th day (when free floorplanning runs out) to the 130th day on the first 10 percent. That's 15 days' more coverage than last year. All other trucks have a maximum 100 days' extended protection.

Chrysler dropped the $100 charge on import vehicles for '83 because it is no longer giving extended floorplan coverage on them.

This relates to its lowering the price of the Colt last summer to compete with low-priced leaders like Toyota Tercel.

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